

AMENDED IN SENATE AUGUST 24, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 128**

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**Introduced by Committee on Budget (Weber (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Jones-Sawyer, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, Ting, and Williams)**

January 9, 2015

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~~An act relating to the Budget Act of 2015.~~ *An act to amend Sections 8347.2, 8347.4, 70022, 89007.7, and 89282 of, and to repeal Section 8347.6 of, the Education Code, and to amend Items 6100-194-0001 and 6100-194-0890 of Section 2.00 of the Budget Act of 2015, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 128, as amended, Committee on Budget. ~~Budget Act of 2015.~~ *Education finance.*

*(1) The Child Care and Development Services Act has a purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services for children from infancy to 13 years of age and their parents, including a full range of supervision, health, and support services through full- and part-time programs. Existing law requires the Superintendent of Public Instruction to develop standards for the implementation of quality child care programs. Existing law authorizes the County of San Mateo, and as a pilot project, to develop an individualized county child care subsidy plan, as provided. Existing law requires the County of San Mateo to submit an annual report, until January 1, 2018, to the Legislature and other specified entities that summarizes the success of the plan, among other things.*

*Existing law provides for the repeal of those provisions on January 1, 2019.*

*This bill would authorize the County of San Mateo to implement the individualized county child care subsidy plan indefinitely and would make conforming changes. The bill would make legislative findings and declarations regarding the need for special legislation for the County of San Mateo.*

*(2) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. The programs administered by the commission include the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program and the Middle Class Scholarship Program.*

*The Middle Class Scholarship Program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, an undergraduate student enrolled at the University of California or the California State University, and meeting certain requirements, is eligible for a scholarship award that, combined with other federal, state, and institutionally administered grants and fee waivers, is for an amount of up to 40% of the systemwide tuition and fees. Under existing law, to receive an award under the Middle Class Scholarship Program, a student is required to have an annual household income that does not exceed \$150,000, satisfy specified requirements for a Cal Grant award, be a California resident or exempt from paying nonresident tuition, file specified financial aid forms, timely apply for publicly funded student financial aid for which he or she is eligible, maintain at least a 2.0 grade point average, be pursuing his or her first undergraduate baccalaureate degree or be enrolled in a specified professional teacher preparation program, and be enrolled at least part-time.*

*The program provides that a student whose annual income exceeds \$100,000, but does not exceed \$150,000, and who otherwise meets the program requirements, receives a scholarship award that is reduced in accordance with prescribed calculations.*

*This bill would require the commission, beginning with the 2016–17 academic year, to annually adjust these calculations to reflect changes in the cost of living, as defined.*

*(3) Existing law establishes the California State University, under the administration of the Trustees of the California State University, as one of the segments of public postsecondary education in this state.*

*Existing law requires, commencing on January 1, 2014, and no later than July 1 of each even-numbered year, that the Legislative Analyst's Office, in consultation with the university, submit a report to the Legislature including specified data relating to the California State University Early Start Program. Existing law makes these provisions regarding the Early Start Program inoperative on July 1, 2018.*

*This bill would instead require the Legislative Analyst's Office to submit the required report on or before January 1, 2018, rather than no later than July 1 of each even-numbered year.*

*(4) Existing law authorizes the California State University to establish a Doctor of Nursing Practice degree pilot program at 3 campuses chosen by the trustees to award the Doctor of Nursing Practice degree. Existing law requires the university, the Legislative Analyst's Office, and the Department of Finance to jointly conduct a statewide evaluation of the degree pilot program and report the results to the Legislature and the Governor, in writing, on or before January 1, 2017. Existing law requires that evaluation to consider specified subjects. These provisions are repealed on January 1, 2021.*

*This bill would delete the requirement of a joint statewide evaluation of the Doctor of Nursing Practice degree pilot programs. The bill would instead require California State University to submit a report on these programs to the Legislature and Governor on or before March 1, 2016, considering most of the same subjects, except that the Legislative Analyst's Office would report to the Legislature on or before January 1, 2017, on the pilot program's compliance with the law, and with recommendations for the program. The bill would require the California State University to provide, by July 1, 2016, the Legislative Analyst's Office with data deemed necessary by the office for its report.*

*(5) Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 public segments of postsecondary education in this state.*

*Existing law establishes the Office of Planning and Research in the Office of the Governor to serve the Governor and his or her Cabinet as staff for long-range planning and research.*

*The bill would require the Director of the Office of Planning and Research, or his or her designee, to administer a study to evaluate the*

*admissions policies used by the University of California and the California State University and determine the number of students eligible for admission to those segments. The bill would require the office to submit a report summarizing the methodology and findings of this study to the Legislature and the Governor by December 1, 2016. The bill would provide that the Director of the Office of Planning and Research would use \$1,000,000 appropriated in a specified statute for its costs pursuant to this provision.*

*(6) This bill would revise General Fund and federal trust fund appropriations in the Budget Act of 2015 relating to local assistance for child care and developmental programs.*

*(7) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 8347.2 of the Education Code is amended*  
2     *to read:*

3     8347.2. For purposes of this article, “plan” means an  
4     individualized county child care subsidy plan developed and  
5     approved ~~under the pilot project~~ as described in Section 8347,  
6     which includes all of the following:

7     (a) An assessment to identify the county’s goal for its subsidized  
8     child care system. The assessment shall examine whether the  
9     current structure of subsidized child care funding adequately  
10    supports working families in the county and whether the county’s  
11    child care goals coincide with the state’s requirements for funding,  
12    eligibility, priority, and reimbursement. The assessment shall also  
13    identify barriers in the state’s child care subsidy system that inhibit  
14    the county from meeting its child care goals. In conducting the  
15    assessment, the county shall consider all of the following:

16    (1) The general demographics of families who are in need of  
17    child care, including employment, income, language, ethnic, and  
18    family composition.

19    (2) The current supply of available subsidized child care.

1 (3) The level of need for various types of subsidized child care  
2 services, including, but not limited to, infant care, after-hours care,  
3 and care for children with exceptional needs.

4 (4) The county's self-sufficiency income level.

5 (5) Income eligibility levels for subsidized child care.

6 (6) Family fees.

7 (7) The cost of providing child care.

8 (8) The regional market rates, as established by the department,  
9 for different types of child care.

10 (9) The standard reimbursement rate or state per diem for centers  
11 operating under contracts with the department.

12 (10) Trends in the county's unemployment rate and housing  
13 affordability index.

14 (b) (1) Development of a local policy to eliminate state-imposed  
15 regulatory barriers to the county's achievement of its desired  
16 outcomes for subsidized child care.

17 (2) The local policy shall do all of the following:

18 (A) Prioritize lowest income families first.

19 (B) Follow the family fee schedule established pursuant to  
20 ~~subdivision (g) of Section 8263~~ Section 8273 for those families  
21 that are income eligible, as defined by Section 8263.1.

22 (C) Meet local goals that are consistent with the state's child  
23 care goals.

24 (D) Identify existing policies that would be affected by the  
25 county's plan.

26 (E) (i) Authorize any agency that provides child care and  
27 development services in the county through a contract with the  
28 department to apply to the department to amend existing contracts  
29 in order to benefit from the local policy.

30 (ii) The department shall approve an application to amend an  
31 existing contract if the plan is modified pursuant to Section 8347.3.

32 (iii) The contract of a department contractor who does not elect  
33 to request an amendment to its contract remains operative and  
34 enforceable.

35 (3) The local policy may supersede state law concerning child  
36 care subsidy programs with regard only to the following factors:

37 (A) Eligibility criteria, including, but not limited to, age, family  
38 size, time limits, income level, inclusion of former and current  
39 CalWORKs participants, and special needs considerations, except  
40 that the local policy ~~may~~ shall not deny or reduce eligibility of a

1 family that qualifies for child care pursuant to Section 8353. Under  
2 the local policy, a family that qualifies for child care pursuant to  
3 Section 8354 shall be treated for purposes of eligibility and fees  
4 in the same manner as a family that qualifies for subsidized child  
5 care on another basis pursuant to the local policy.

6 (B) Fees, including, but not limited to, family fees, sliding scale  
7 fees, and copayments for those families that are not income eligible,  
8 as defined by Section 8263.1.

9 (C) Reimbursement rates.

10 (D) Methods of maximizing the efficient use of subsidy funds,  
11 including, but not limited to, multiyear contracting with the  
12 department for center-based child care, and interagency agreements  
13 that allow for flexible and temporary transfer of funds among  
14 agencies.

15 (c) Recognition that all funding sources utilized by direct service  
16 contractors that provide child care and development services in  
17 the county are eligible to be included in the county's plan.

18 (d) Establishment of measurable outcomes to evaluate the  
19 success of the plan to achieve the county's child care goals, and  
20 to overcome any barriers identified in the state's child care subsidy  
21 system.

22 *SEC. 2. Section 8347.4 of the Education Code is amended to*  
23 *read:*

24 8347.4. (a) The county shall annually prepare and submit to  
25 the Legislature, the State Department of Social Services, and the  
26 department a report that summarizes the success of the county's  
27 plan, and the county's ability to maximize the use of funds and to  
28 improve and stabilize child care in the county.

29 ~~(b) (1) The requirement for submitting a report imposed under~~  
30 ~~subdivision (a) is inoperative on January 1, 2018, pursuant to~~  
31 ~~Section 10231.5 of the Government Code.~~

32 ~~(2)~~

33 ~~(b) A report to be submitted pursuant to subdivision (a) shall~~  
34 ~~be submitted in compliance with Section 9795 of the Government~~  
35 ~~Code.~~

36 *SEC. 3. Section 8347.6 of the Education Code is repealed.*

37 ~~8347.6. This article shall become inoperative on July 1, 2018,~~  
38 ~~and, as of January 1, 2019, is repealed, unless a later enacted~~  
39 ~~statute, that becomes operative on or before January 1, 2019,~~

~~1 deletes or extends the dates on which it becomes inoperative and~~  
~~2 is repealed.~~

3 *SEC. 4. Section 70022 of the Education Code is amended to*  
4 *read:*

5 70022. (a) (1) Subject to an available and sufficient  
6 appropriation, commencing with the 2014–15 academic year, an  
7 undergraduate student enrolled in the California State University  
8 or the University of California who meets the requirements of  
9 paragraph (2) is eligible for a scholarship award as described in  
10 that paragraph.

11 (2) Each academic year, except as provided in paragraphs (3)  
12 and (4), an eligible student shall receive a scholarship award in an  
13 amount that, combined with other federal, state, or institutionally  
14 administered student grants or fee waivers received by an eligible  
15 student, is up to 40 percent of the amount charged to that student  
16 in that academic year for mandatory systemwide tuition and fees,  
17 if all of the following requirements are met, to the satisfaction of  
18 the commission, each academic year:

19 (A) The student's annual household income does not exceed  
20 one hundred fifty thousand dollars (\$150,000). For awards  
21 distributed for the 2016–17 academic year and subsequent  
22 academic years, the commission shall annually adjust the maximum  
23 income level set under this subparagraph in accordance with the  
24 percentage changes in the cost of living within the meaning of  
25 paragraph (1) of subdivision (e) of Section 8 of Article XIII B of  
26 the California Constitution. For purposes of this article, annual  
27 household income shall be calculated in a manner that is consistent  
28 with the requirements applicable to the  
29 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
30 (Chapter 1.7 (commencing with Section 69430)) and Section  
31 69506.

32 (B) Beginning with awards distributed in the 2015–16 academic  
33 year, the student's household asset level shall not exceed one  
34 hundred fifty thousand dollars (\$150,000). For awards distributed  
35 in the 2016–17 academic year and subsequent academic years, the  
36 commission shall annually adjust the maximum household asset  
37 level set under this subparagraph in accordance with the percentage  
38 changes in the cost of living within the meaning of paragraph (1)  
39 of subdivision (e) of Section 8 of Article XIII B of the California  
40 Constitution. For purposes of this article, student's household asset

1 level shall be calculated in a manner that is consistent with the  
2 requirements applicable to the  
3 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
4 (Chapter 1.7 (commencing with Section 69430)) and Section  
5 69506.

6 (C) The student satisfies the eligibility requirements for a Cal  
7 Grant award pursuant to Section 69433.9, except that a student  
8 who is exempt from nonresident tuition under Section 68130.5  
9 shall not be required to satisfy the requirements of subdivision (a)  
10 of Section 69433.9.

11 (D) The student is exempt from paying nonresident tuition.

12 (E) The student completes and submits a Free Application for  
13 Federal Student Aid (FAFSA) application. The FAFSA must be  
14 submitted or postmarked by no later than March 2. If the student  
15 is not able to complete a FAFSA application, the student may  
16 satisfy this subparagraph by submitting an application determined  
17 by the commission to be equivalent to the FAFSA application for  
18 purposes of this article by March 2.

19 (F) The student makes a timely application or applications for  
20 all other federal, state, or institutionally administered grants or fee  
21 waivers for which the student is eligible.

22 (G) The student maintains satisfactory academic progress in a  
23 manner that is consistent with the requirements applicable to the  
24 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
25 pursuant to subdivision (m) of Section 69432.7.

26 (H) The student is pursuing his or her first undergraduate  
27 baccalaureate degree or has completed a baccalaureate degree and  
28 has been admitted to, and is enrolled in, a program of professional  
29 teacher preparation at an institution approved by the California  
30 Commission on Teacher Credentialing.

31 (I) The student is enrolled at least part time.

32 (3) (A) The percentage specified in paragraph (2) shall be  
33 reduced by 0.6-percent increments per one thousand dollars  
34 (\$1,000) of annual household income in excess of one hundred  
35 thousand dollars (\$100,000), to a minimum 10 percent of  
36 mandatory systemwide tuition and fees for an academic year,  
37 provided that no scholarship award shall be provided to a student  
38 with an annual household income exceeding one hundred fifty  
39 thousand dollars (\$150,000). *Beginning with award calculations*  
40 *for the 2016–17 academic year, and for subsequent academic*



1 years, the commission shall annually adjust the income levels  
2 specified in this subparagraph by the percentage change in the  
3 cost of living within the meaning of paragraph (1) of subdivision  
4 (e) of Section 8 of Article XIII B of the California Constitution  
5 and shall adjust the incremental reduction accordingly to ensure  
6 that a minimum of 10 percent of mandatory systemwide tuition  
7 and fees for an academic year are awarded. This reduction shall  
8 be in addition to any reduction required by ~~subdivision (e) of~~  
9 Section 70023.

10 (B) Notwithstanding subparagraph (A), for any student who  
11 qualifies for a scholarship award of at least one dollar (\$1), the  
12 minimum annual scholarship amount for full-time enrollment is  
13 ninety dollars (\$90).

14 (4) For the 2014–15, 2015–16, and 2016–17 academic years,  
15 the maximum amount of a student’s scholarship award shall be 35  
16 percent, 50 percent, and 75 percent, respectively, of the total  
17 scholarship award amount that the student would otherwise be  
18 eligible to receive.

19 (b) In order for students enrolled in their respective segments  
20 to remain eligible to receive a scholarship award under this article,  
21 the University of California and the California State University  
22 shall not supplant their respective institutional need-based grants  
23 with the funds provided for scholarships under this article, and  
24 shall maintain their funding amounts at a level that, at a minimum,  
25 is equal to the level maintained for undergraduate students during  
26 the 2013–14 academic year.

27 (c) The University of California and the California State  
28 University shall report on the implementation of this article as part  
29 of the report made pursuant to Section 66021.1.

30 (d) A Middle Class Scholarship Program award authorized  
31 pursuant to this article shall be defined as a full-time equivalent  
32 grant. An award to a part-time student shall be a fraction of a  
33 full-time grant, as determined by the proportionate amount charged  
34 for systemwide tuition and fees. A part-time student shall not be  
35 discriminated against in the selection of Middle Class Scholarship  
36 Program awards. For purposes of this section, “full-time student”  
37 and “part-time student” have the same meaning as specified in  
38 subdivision (f) of Section 69432.7.

39 *SEC. 5. Section 89007.7 of the Education Code is amended to*  
40 *read:*

1 89007.7. (a) The Legislature finds and declares that the  
2 California State University Early Start Program was adopted  
3 pursuant to Executive Order No. 1048 at the May 2010 meeting  
4 of the Trustees of the California State University (CSU) with the  
5 stated goal of facilitating a student's graduation through changes  
6 in policies on fulfilling entry-level proficiencies in mathematics  
7 and English.

8 (b) ~~Commencing on~~ On January 1, 2014, and on or before July  
9 ~~1 every even-numbered year thereafter, January 1, 2018,~~ the  
10 Legislative Analyst's Office, in consultation with CSU, shall  
11 submit a report to the Legislature detailing the impact of the CSU  
12 Early Start Program on student mathematics and English  
13 proficiency. The report to the Legislature required by this  
14 subdivision shall include, but not necessarily be limited to, all of  
15 the following:

16 (1) Information on how the CSU Early Start Program increases  
17 successful remediation rates as compared to the remediation rates  
18 that existed in the 2010–11 academic year.

19 (2) Information on how the CSU Early Start Program expedites  
20 the student remediation process, or otherwise reduces the length  
21 of time that students spend on remediation.

22 (3) Demographic information on participants in the CSU Early  
23 Start Program, including information relating to race or ethnicity,  
24 eligibility for financial aid, geographic origins, and other pertinent  
25 data.

26 (4) The number of enrollees in the CSU Early Start Program,  
27 counted statewide and by campus, including the number who  
28 eventually earned credit from the program.

29 (5) As observed one year after participating in the CSU Early  
30 Start Program, counted statewide and by campus, how many  
31 enrollees became proficient, how many did not remediate  
32 successfully, and how many were disenrolled from CSU.

33 (c) This section shall remain in effect only until July 1, 2018,  
34 and as of that date is repealed, unless a later enacted statute, that  
35 is enacted before January 1, 2019, deletes or extends that date.

36 *SEC. 6. Section 89282 of the Education Code is amended to*  
37 *read:*

38 89282. (a) The California State University—(CSU),—the  
39 Legislative Analyst's Office, and the Department of Finance (CSU)  
40 shall jointly conduct a statewide evaluation of CSU report on the

1 Doctor of Nursing Practice degree pilot programs authorized  
2 pursuant to Section 89281 and implemented under this article. The  
3 ~~results of the evaluation report~~ shall be ~~reported~~, *submitted*, in  
4 writing, to the Legislature and the Governor on or before ~~January~~  
5 *March 1, 2017. 2016.* The ~~evaluation report~~ shall consider all of  
6 the following:

7 (1) The number of Doctor of Nursing Practice degree pilot  
8 programs implemented, including information regarding the  
9 number of applicants, admissions, enrollments, degree recipients,  
10 time-to-degree, and attrition.

11 (2) The extent to which the post-master's degree pilot programs  
12 are fulfilling identified state needs for training doctorally prepared  
13 nurses.

14 (3) Statewide supply and demand data that considers capacity  
15 at the University of California and in California's independent  
16 colleges and universities.

17 (4) Information on the place of employment of students and the  
18 subsequent job placement of graduates.

19 (5) Any available evidence on the effects that the graduates of  
20 the degree pilot program are having on addressing the state's  
21 nursing shortage.

22 (6) Pilot program costs and the fund sources that were used to  
23 finance the program, including a calculation of cost per degree  
24 awarded.

25 (7) The costs of the degree pilot program to students, the amount  
26 of financial aid offered, and student debt levels of graduates of the  
27 program.

28 *(b) The Legislative Analyst's Office shall submit a report to the*  
29 *Legislature on or before January 1, 2017, that includes both of*  
30 *the following:*

31 ~~(8)~~

32 *(1) The extent to which the degree pilot program is in*  
33 *compliance with the requirements of this article.*

34 ~~(9)~~

35 *(2) Recommendations for the degree pilot program, including*  
36 *whether the program should be continued or modified.*

37 *(c) The CSU shall, by July 1, 2016, provide the Legislative*  
38 *Analyst's Office with data deemed necessary by that office for*  
39 *fulfilling the requirements of subdivision (b).*

40 ~~(b)~~

1     ~~(d) (1) A report to be~~ *The reports* submitted pursuant to  
2 ~~subdivision subdivisions~~ (a) and (b) shall be submitted in  
3 compliance with Section 9795 of the Government Code.

4     (2) This section shall remain in effect only until January 1, 2021,  
5 and as of that date is repealed, unless a later enacted statute, that  
6 is enacted before January 1, 2021, deletes or extends that date.

7     *SEC. 7. (a) (1) The Director of the Office of Planning and*  
8 *Research, or his or her designee, shall administer a study to*  
9 *evaluate the admissions policies used by the University of*  
10 *California and the California State University and determine the*  
11 *number of students eligible for admission to each of these*  
12 *institutions of postsecondary education.*

13     (2) *The Director of the Office of Planning and Research, or his*  
14 *or her designee, shall convene a work group that includes, but is*  
15 *not necessarily limited to, representatives from the University of*  
16 *California, the California State University, the State Department*  
17 *of Education, the Department of Finance, and the Legislative*  
18 *Analyst's Office to consider the overall approach to the study.*

19     (b) *The study shall report the number of students eligible for*  
20 *admission to each segment by race, gender, ethnicity, region, and*  
21 *income, and shall include an analysis of the factors affecting*  
22 *eligibility for admission to the University of California and the*  
23 *California State University for each of those groups.*

24     (c) *The Director of the Office of Planning and Research, or his*  
25 *or her designee, shall submit a report summarizing the*  
26 *methodology and findings of the study to the Legislature and the*  
27 *Governor by December 1, 2016. The report shall describe whether*  
28 *the University of California and the California State University*  
29 *are admitting students as described in the Master Plan for Higher*  
30 *Education in California. The report shall also include a discussion*  
31 *of any adjustments the University of California and the California*  
32 *State University have made, or plan to make, to admissions policies*  
33 *in response to the findings of the study.*

34     (d) *The report to be submitted pursuant to subdivision (c) shall*  
35 *be submitted in compliance with Section 9795 of the Government*  
36 *Code.*

37     (e) *The Director of the Office of Planning and Research, or his*  
38 *or her designee, shall use the funding appropriated in Section 40*  
39 *of Chapter 22 of the Statutes of 2015 for its costs incurred pursuant*  
40 *to this section.*

(f) *The Director of the Office of Planning and Research, or his or her designee, may execute contracts to perform the study specified in this section. Any contracts executed for the study specified in this section are not subject to the provisions of Article 1 (commencing with Section 10100) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code, or Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.*

*SEC. 8. Item 6100-194-0001 of Section 2.00 of the Budget Act of 2015 is amended to read:*

6100-194-0001—For local assistance, State Department of Education, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for child care and development programs included in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute.....		941,630,000
Schedule:		
(1) 5210026-General Child Development.....	<del>215,098,000</del>	265,938,000
(2) 5210028-Migrant Day Care.....	23,881,000	
(3) 5210030-Alternative Payment.....	<del>105,873,000</del>	80,453,000
(4) 5210032-Resource and Referral.....	18,878,000	
(5) 5210034-CalWORKs Stage 2.....	404,229,000	
(6) 5210036-CalWORKs Stage 3.....	<del>142,153,000</del>	116,733,000
(7) 5210038-Accounts Payable.....	4,000,000	
(8) 5210040-Child Care for Children with Severe Disabilities.....	1,635,000	
(9) 5210042-California Child Care Initiative.....	225,000	
(10) 5210044-Quality Improvement.....	1,461,000	
(11) 5210046-Local Planning Councils.....	34,000	
(12) 5210010- Child Development, Quality Rating Improvement System Grants.....	24,163,000	

## Provisions:

1. Funds in Schedules (4), (9), (10), and (11) shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code.
2. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
3. Notwithstanding any other provision of law, funds in Schedule (7) are available for accounts payable for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 8222.1 of the Education Code. The State Department of Education shall give priority for the allocation of these funds for accounts payable.
4. The amounts provided in Schedules (1), (2), (3), and (8) of this item reflect an adjustment to the base funding of 0.37 percent for an increase in the population of 0–4 year-olds.
5. The maximum standard reimbursement rate shall not exceed \$38.29 per day for general child care programs. This reflects a 1.02 percent cost-of-living adjustment and a 5 percent rate increase to the standard reimbursement rate. The maximum standard reimbursement rate shall not exceed \$38.53 for full-day state preschool programs. Furthermore, the migrant child care program shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall conform.
6. (a) Alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child

1 care and development providers for provider  
2 payments. When approved pursuant to Section  
3 8447 of the Education Code, any changes to the  
4 market rate limits, adjustment factors, or regions  
5 shall be utilized by the State Department of Edu-  
6 cation, the California Community Colleges, and  
7 the State Department of Social Services in various  
8 programs under the jurisdiction of these depart-  
9 ments.

- 10 (b) Until October 1, 2015, the funds appropriated in  
11 this item for the cost of licensed child care ser-  
12 vices provided through alternative payment or  
13 voucher programs, including those provided under  
14 Article 3 (commencing with Section 8220) and  
15 Article 15.5 (commencing with Section 8350) of  
16 Chapter 2 of Part 6 of Division 1 of Title 1 of the  
17 Education Code, shall be used only to reimburse  
18 child care costs up to the deflated 85th percentile  
19 of the rates charged by providers offering the  
20 same type of child care for the same age child in  
21 that region, based on the 2009 Regional Market  
22 Rate Survey data. The 85th percentile of rates  
23 based on the 2009 Regional Market Rate Survey  
24 shall be reduced by 10.11 percent, pursuant to  
25 Section 8447 of the Education Code. If the re-  
26 duced rate schedule reimbursement amount for a  
27 particular county rate is less than the reimburse-  
28 ment amount provided for the same rate prior to  
29 January 1, 2015, then the State Department of  
30 Education shall use the rate schedule from the  
31 2005 Regional Market Rate Survey for that partic-  
32 ular reimbursement amount. As of October 1,  
33 2015, the funds appropriated in this item for the  
34 cost of licensed child care services provided  
35 through alternative payment or voucher programs,  
36 including those provided under Article 3 (com-  
37 mencing with Section 8220) and Article 15.5  
38 (commencing with Section 8350) of Chapter 2 of  
39 Part 6 of Division 1 of Title 1 of the Education  
40 Code, shall be used only to reimburse child care

costs up to 104.5 percent of the deficated 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region, based on the 2009 Regional Market Rate Survey data. The 85th percentile of rates based on the 2009 Regional Market Rate Survey shall be reduced by 10.11 percent, pursuant to Section 8447 of the Education Code. If the reduced rate schedule reimbursement amount for a particular county rate is less than the reimbursement amount provided for the same rate prior to January 1, 2015, then the State Department of Education shall use 104.5 percent of the rate schedule from the 2005 Regional Market Rate Survey for that particular reimbursement amount

- (c) Until October 1, 2015, the funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt child care costs up to 60 percent of the regional reimbursement rate limits established for family child care homes. As of October 1, 2015, the funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt child care costs up to 65 percent of the regional reimbursement rate limits established for family child care homes.

7. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and



1 adjust agency contract maximum reimbursement  
2 amounts and allocations as necessary to ensure  
3 funds are distributed proportionally to need. The  
4 SDE shall share monthly caseload analyses with  
5 the State Department of Social Services (DSS).

6 (b) The SDE shall provide quarterly information re-  
7 garding the sufficiency of funding for Stage 2 and  
8 Stage 3 to DSS. The SDE shall provide caseloads,  
9 expenditures, allocations, unit costs, family fees,  
10 and other key variables and assumptions used in  
11 determining the sufficiency of state allocations.  
12 Detailed backup by month and on a county-by-  
13 county basis shall be provided to the DSS at least  
14 on a quarterly basis for comparisons with Stage  
15 1 trends.

16 (c) By September 30 and March 30 of each year, the  
17 SDE shall ensure that detailed caseload and expen-  
18 diture data, through the most recent period for  
19 Stage 2 and Stage 3 along with all relevant assump-  
20 tions, is provided to DSS to facilitate budget de-  
21 velopment. The detailed data provided shall in-  
22 clude actual and projected monthly caseload from  
23 Stage 2 scheduled to time off of their transitional  
24 child care benefit from the last actual month re-  
25 ported by agencies through the next two fiscal  
26 years as well as local attrition experience. DSS  
27 shall utilize data provided by the SDE, including  
28 key variables from the prior fiscal year and the  
29 first two months of the current fiscal year, to  
30 provide coordinated estimates in November of  
31 each year for each of the three stages of care for  
32 preparation of the Governor's Budget, and shall  
33 utilize data from at least the first two quarters of  
34 the current fiscal year, and any additional monthly  
35 data as they become available for preparation of  
36 the May Revision. The DSS shall share its assump-  
37 tions and methodology with the SDE in the  
38 preparation of the Governor's Budget.

39 (d) The SDE shall coordinate with the DSS to identify  
40 annual general subsidized child care program ex-

- 1           penditures for Temporary Assistance for Needy  
2           Families-eligible children. The SDE shall modify  
3           existing reporting forms as necessary to capture  
4           this data.
- 5           (e) The SDE shall provide to the DSS, upon request,  
6           access to the information and data elements nec-  
7           essary to comply with federal reporting require-  
8           ments and any other information deemed neces-  
9           sary to improve estimation of child care budgeting  
10          needs.
- 11          (f) On or before January 30, 2016, following consul-  
12          tation with the DSS, the SDE shall determine the  
13          adequacy of funding appropriated by the Legisla-  
14          ture for CalWORKs Stage 2 and Stage 3. If the  
15          SDE determines that the Stage 2 appropriation  
16          exceeds the current year caseload needs and the  
17          Stage 3 appropriation is not sufficient to fully  
18          fund its caseload need, then the SDE shall submit  
19          a request to the Department of Finance to transfer  
20          the excess funds from Schedule (5), CalWORKs  
21          Stage 2 child care to Schedule (6), CalWORKs  
22          Stage 3 child care. Notwithstanding Section 26.00  
23          or any other provision of law, the Department of  
24          Finance may, at its discretion, approve such a  
25          transfer.
- 26          (g) Notwithstanding any other provision of law or  
27          any other sections of this act, the Department of  
28          Finance may augment the appropriation for Cal-  
29          WORKs Stage 3 if the estimate of expenditures,  
30          as determined by the SDE, following consultation  
31          with the DSS, will exceed the expenditures autho-  
32          rized in Schedule (6). The Department of Finance  
33          shall report any augmentation pursuant to this  
34          paragraph to the Joint Legislative Budget Commit-  
35          tee. At the time the report is made, the amount of  
36          the appropriation made in Schedule (6) shall be  
37          increased by the amount of the augmentation.
- 38          (h) The Director of Finance may, pursuant to subdivi-  
39          sions (f) and (g) of Provision 7, authorize the  
40          augmentation of the amount available for expen-

1 diture in Schedule (6) by making a transfer from  
2 Schedule (5). An augmentation may be authorized  
3 not sooner than 30 days after notification in writ-  
4 ing of the necessity to exceed the limitations is  
5 provided to the Joint Legislative Budget Commit-  
6 tee, or whatever lesser time the chairperson of the  
7 joint committee may determine. Any request made  
8 by the SDE to augment the CalWORKs Stage 3  
9 appropriation shall be approved only in order to  
10 cover increases in costs that are consistent with  
11 assumptions of this act. This provision shall not  
12 be construed to treat Stage 3 as an entitlement.

13 8. Notwithstanding any other provision of law, the funds  
14 in Schedule (6) are reserved exclusively for continuing  
15 child care for the following: (a) former CalWORKs  
16 families who are working, have left cash aid, and have  
17 exhausted their two-year eligibility for transitional  
18 services in either Stage 1 or Stage 2 pursuant to subdi-  
19 vision (c) of Section 8351 or Section 8353 of the Edu-  
20 cation Code, respectively, but still meet eligibility re-  
21 quirements for receipt of subsidized child care ser-  
22 vices, and (b) families who received lump-sum diver-  
23 sion payments or diversion services under Section  
24 11266.5 of the Welfare and Institutions Code and have  
25 spent two years in Stage 2 off of cash aid, but still  
26 meet eligibility requirements for receipt of subsidized  
27 child care services.

28 9. Notwithstanding any other provision of law, each local  
29 planning council receiving funds appropriated in  
30 Schedule (11) shall meet the requirements of Section  
31 8499.5 of the Education Code to the extent feasible  
32 and to the extent data is readily accessible.

33 10. Notwithstanding any other provision of law, the imple-  
34 mentation of Provision 12 is not subject to the appeal  
35 and resolution procedures for agencies that contract  
36 with the State Department of Education for the provi-  
37 sion of child care services or the due process require-  
38 ments afforded to families that are denied services  
39 specified in Chapter 19 (commencing with Section

1 18000) of Division 1 of Title 5 of the California Code  
2 of Regulations.

- 3 11. Notwithstanding the rulemaking provisions of the  
4 Administrative Procedure Act (Chapter 3.5 (commenc-  
5 ing with Section 11340) of Part 1 of Division 3 of Title  
6 2 of the Government Code), the State Department of  
7 Education may implement Provision 12 through  
8 management bulletins or similar instructions.

- 9 12. Notwithstanding any other provision of law, families  
10 shall be disenrolled from subsidized child care services  
11 consistent with the priorities for services specified in  
12 subdivision (b) of Section 8263 of the Education Code.  
13 Families shall be disenrolled in the following order:  
14 (a) families with the highest income below 70 percent  
15 of the State Median Income (SMI) adjusted for family  
16 size, (b) of families with the same income level, those  
17 that have been receiving child care services for the  
18 longest period of time, (c) of families with the same  
19 income level, those that have a child with exceptional  
20 needs, and (d) families with children who are receiving  
21 child protective services or are at risk of being neglect-  
22 ed or abused, regardless of family income.

- 23  
24 14. Of the amount appropriated in Schedule (3),  
25 \$52,627,000 is available to provide 6,800 voucher  
26 child care slots. The Department shall allocate these  
27 slots based on the existing distribution of alternative  
28 payment program contracts.

- 29  
30 16. Of the amount appropriated in Schedule (1),  
31 \$3,471,000 is available to provide wraparound child  
32 care for 1,200 full-day state preschool slots beginning  
33 January 1, 2016.

- 34 17. The amount provided in Schedule (12) is available for  
35 Quality Rating and Improvement System (QRIS)  
36 consortia to provide training, technical assistance, and  
37 resources to help infant and toddler child care  
38 providers meet a higher tier of quality as determined  
39 by their local QRIS matrix. No more ~~the~~ than 20 per-  
40 cent of the funding awarded to a consortia may be al-

located directly to child care providers. Each county participating in a QRIS consortia and in good standing with the California Department of Education (CDE) shall receive a minimum grant amount of \$25,000 for this purpose, with remaining funds distributed to consortia based on their proportion of contracts with CDE for infant and toddler child care and development. Notwithstanding any other provision of law, the funds appropriated in this schedule shall be available for encumbrance until June 30, 2017.

*SEC. 9. Item 6100-194-0890 of Section 2.00 of the Budget Act of 2015 is amended to read:*

6100-194-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund..... 582,852,000

Schedule:

(1) 5210026-General Child Development.....	<del>235,067,000</del>
	184,227,000
(2) 5210028-Migrant Day Care.....	5,411,000
(3) 5210030-Alternative Payment.....	<del>144,779,000</del>
	170,199,000
(4) 5210034-CalWORKs Stage 2.....	10,000,000
(5) 5210036-CalWORKs Stage 3.....	<del>136,069,000</del>
	161,489,000
(6) 5210044-Quality Improvement.....	48,207,000
(7) 5210046-Local Planning Councils.....	3,319,000

Provisions:

- Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.
- Of the funds appropriated in this item, \$10,000,000 is from the transfer of funds, pursuant to Item 5180-402, from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for CalWORKs Stage 2 child care.

- 1       3. Funds in Schedules (6) and (7) shall be allocated to  
2       meet federal requirements to improve the quality of  
3       child care and shall be used in accordance with the  
4       approved California state plan for the federal Child  
5       Care and Development Fund that is developed pursuant  
6       to the requirements under Section 8206.1 of the Edu-  
7       cation Code.
- 8       4. Notwithstanding any other provision of law, each local  
9       planning council receiving funds appropriated in  
10      Schedule (7) shall meet the requirements of Section  
11      8499.5 of the Education Code to the extent feasible  
12      and to the extent data is readily accessible.
- 13      5. Of the funds appropriated in this item, \$18,469,000 is  
14      available on a one-time basis for CalWORKs Stage 3  
15      child care from federal Child Care and Development  
16      Block Grant funds appropriated prior to the 2015–16  
17      federal fiscal year.
- 18      6. (a) Of the funds appropriated in Schedule (6) of this  
19      item, \$2,892,000 is available on a one-time basis for  
20      quality activities from federal Child Care and Devel-  
21      opment Block Grant funds appropriated prior to the  
22      2015–16 federal fiscal year. The State Department of  
23      Education shall allocate these funds pursuant to federal  
24      law and reflecting the following priorities:
  - 25          (1) First, to provide one-time resources to meet  
26          the requirements of the 2014 reauthorization  
27          of the federal Child Care and Development  
28          Block Grant.
  - 29          (2) Second, to support the retention and training  
30          of teachers and staff working in state and  
31          federally subsidized child care programs.
- 32      (b) Funds appropriated in Schedule (6) of this item  
33      shall not be expended to develop Feasibility Study  
34      Reports or to support new information technology  
35      projects, unless approved by the Department of  
36      Finance and not sooner than 30 days after notifi-  
37      cation in writing to the Chairperson of the Joint  
38      Legislative Budget Committee.
- 39      7. Of the funds appropriated in Schedule (6) of this item,  
40      \$300,000 is available on a one-time basis for the Re-

source and Referral Network from federal Child Care and Development Block Grant funds appropriated prior to the 2015–16 federal fiscal year. It is the intent of the Legislature that this funding may support data collection efficiency.

*SEC. 10. In regard to Section 1 to 3, inclusive, of this act, the Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances concerning the County of San Mateo.*

*SEC. 11. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.*

~~SECTION 1. It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~